

## RESOLUTION NO. 21

### A RESOLUTION OF THE CITY OF WEST LAFAYETTE REDEVELOPMENT COMMISSION PLEDGING CERTAIN TAX INCREMENT REVENUES AND LEVY OF *AD VALOREM* PROPERTY TAXES TO THE PAYMENT OF A SUBLEASE THAT IS THEN USE FOR PAYMENT OF ECONOMIC DEVELOPMENT REVENUE BONDS OF THE CITY OF WEST LAFAYETTE

WHEREAS, the City of West Lafayette Redevelopment Commission (the “Redevelopment Commission”) has created the Levee/Village Redevelopment Area, has designated all of such area as the Levee/Village Redevelopment Allocation Area (the “Levee/Village Allocation Area”) for purposes of the allocation and distribution of property taxes under IC 36-7-14-39, and has created the Levee/Village Redevelopment Allocation Area Fund (the “Levee/Village Allocation Fund”) pursuant to IC 36-7-14-39; and

WHEREAS, the Redevelopment Commission has created the 231 Purdue Economic Development Area, has designated all of such area as the 231 Purdue Economic Development Allocation Area (the “231 Purdue Allocation Area”) for purposes of the allocation and distribution of property taxes under IC 36-7-14-39, and has created the 231 Purdue Economic Development Allocation Area Fund (the “231 Purdue Allocation Fund”) pursuant to IC 36-7-14-39; and

WHEREAS, the West Lafayette Community Development Corporation (the “WLCDC”) desires to finance the construction of the redevelopment of State Street (formerly State Route 26) from the Wabash River through the City of West Lafayette’s downtown and Purdue University’s campus to U.S. 231 on the west (the “Project”), which will be located in the Levee/Village Allocation Area and the 231 Purdue Allocation Area; and

WHEREAS, the WLCDC will complete the Project and sublease all or a portion thereof to the Redevelopment Commission, under a sublease (the “Sublease”), to support the Project; and

WHEREAS, the City of West Lafayette Economic Development Commission has approved the issuance of the City of West Lafayette, Indiana, Taxable Economic Development Revenue Bonds, Series 2016 (State Street Redevelopment Project), which bonds shall be issued in one or more series in a total aggregate amount not to exceed Seventy-Eight Million Dollars (\$78,000,000), with the first series of bonds not to exceed Seventy-Three Million Dollars (\$73,000,000) (the “Bonds”), the proceeds of which will be credited to the WLCDC and applied to costs of the Project; and

WHEREAS, the Redevelopment Commission has agreed to pledge the tax increment revenues generated from the Levee/Village Allocation Area (the “TIF 1 Revenues”) and the tax increment revenues generated from the 231 Purdue Allocation Area (the “TIF 2 Revenues”) to the payment of the Sublease, which in turn will be used for the payment of the Bonds; and

WHEREAS, the Redevelopment Commission will, to the extent TIF 1 Revenues are insufficient to make payments when due on the Sublease, levy a special benefits *ad valorem* property tax on all taxable property within the Redevelopment District of the City pursuant to

Ind. Code § 36-7-14-27 (the “Special Benefits Tax”) and utilize such tax revenue as described herein; and

WHEREAS, the Redevelopment Commission will enter into an agreement with the Purdue Research Foundation entitled “TIF Support Facility Agreement Concerning the State Street Redevelopment Project” (the “TIF Support Facility”), to provide a non-revolving line of credit to the Commission in the amount not to exceed \$62.7 million; and

WHEREAS, the Commission has previously entered into a Project Development Agreement, by and among the City of West Lafayette, Indiana, The Trustees of Purdue University, the Redevelopment Commission, the Purdue Research Foundation, and the Interlocal Cooperation Board of the City of West Lafayette, Indiana and the Trustees of Purdue University (the “PDA”), which PDA provides for a TIF 2 reserve fund (the “TIF 2 Reserve Fund”) in the event certain events occur with regard to the TIF Support Facility; and

WHEREAS, the Redevelopment Commission will, to the extent TIF 2 Revenues are insufficient to make payments when due on the Sublease, draw on the TIF Support Facility, and if available, the TIF 2 Reserve Fund, and utilize such revenue as described herein.

NOW, THEREFORE, BE IT RESOLVED by the City of West Lafayette Redevelopment Commission, as follows:

1. All TIF 1 Revenues (to the extent not supplemented by the Special Benefits Tax) and TIF 2 Revenues in the Levee/Village Allocation Area and 231 Purdue Allocation Area, respectively, and deposited in the Levee/Village Allocation Fund and 231 Purdue Allocation Fund, respectively, pursuant to IC 36-7-14-39 and IC 36-7-14-39.3 shall be set aside and used only as set forth in this Resolution.

2. On each January 15 and July 15, beginning July 15, 2018, all TIF 1 Revenues and TIF 2 Revenues required for Sublease payments according to the schedule of TIF 1 Revenue payments and TIF 2 Revenue payments in the Sublease in the next succeeding six months shall be immediately transferred to The Huntington National Bank, as trustee for the Bonds (the “Trustee”) pursuant to an Assignment of Rents between the WLCDC and the Trustee, for deposit into the funds and accounts and application in accordance with the trust indenture for the Bonds, including any trust indenture utilized for any refinancing of the Bonds (collectively, the “Indenture”).

3. Pursuant to IC 36-7-14-39(b)(2)(D) and IC 5-1-14-4, the Redevelopment Commission hereby pledges the TIF 1 Revenues (to the extent not supplemented by the Special Benefits Tax), the TIF 2 Revenues, the TIF Support Facility, the TIF 2 Reserve Fund, and any Special Benefits Tax revenues levied to supplement TIF 1 Revenues and deposited into the Levee/Village Allocation Fund and the 231 Purdue Allocation Fund, as required, to the Trustee for disposition in accordance with the Sublease and the Indenture.

4. Upon notice from the trustee for the Bonds that there has been a draw on the Bonds’ Debt Service Reserve Fund (as such term is described in the Indenture) due to an insufficiency of TIF 1 Revenues, the Redevelopment Commission shall immediately take the necessary steps to levy the Special Benefits Tax and upon receipt of the proceeds of such Special

Benefits Tax, and such Special Benefits Tax is hereby pledged by the Commission to apply such proceeds to the payment due under the Sublease and/or to the replenishment of the Bonds' Debt Service Reserve Fund.

5. Upon a draw by the Redevelopment Commission of the TIF Support Facility and/or the TIF 2 Reserve Fund, the Redevelopment Commission hereby pledges the proceeds of the TIF Support Facility and TIF 2 Reserve Fund to the Trustee for disposition in accordance with the Sublease and the Indenture.

6. Upon the defeasance of the Bonds, any moneys remaining in the funds and accounts under the Indenture shall be returned to the Redevelopment Commission for deposit into the Levee/Village Allocation Fund or 231 Purdue Allocation Fund, as the case may be, and may be used by the Redevelopment Commission for any purpose permitted by law.

7. The Redevelopment Commission hereby determines that any TIF 2 Revenues pledged to any obligations of the Redevelopment Commission issued subsequent to the Bonds shall be junior and subordinate to the pledge of TIF 2 Revenues described herein.

8. The President or Vice President and the Secretary of this Redevelopment Commission are hereby authorized and directed, on behalf of the City, and subject to obtaining approval from the Common Council of the City, to execute and deliver the Sublease in substantially the form presented at this meeting with such changes in form or substance as the President or Vice President of this Redevelopment Commission shall approve, such approval to be conclusively evidenced by the execution thereof.

9. This resolution shall take effect immediately upon adoption by the Redevelopment Commission.

Adopted the 16<sup>th</sup> day of December, 2015.

CITY OF WEST LAFAYETTE  
REDEVELOPMENT COMMISSION

BY: \_\_\_\_\_  
Lawrence T. Oates, President

ATTEST:

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Stephen B. Curtis, Secretary